

## **Summary of Promotion with Licensees Regulation Changes**

The Pennsylvania Liquor Control Board's ("PLCB") Regulations for <u>"Promotion with licensees"</u> and "Samples for unlicensed consumers" have been updated effective January 21, 2023.

The primary focus of the regulatory changes is section 13.81 of the PLCB's Regulations, which governs the practices of vendors and their agents when promoting a product with licensees. This section, which was formerly titled "Samples of liquor," has been renamed "Promotion with licensees." To a lesser degree, the Board also amended section 13.231 of the PLCB's Regulations, to provide consistency and additional clarity to the regulations regarding the proper role of providing samples to unlicensed consumers. Also, this section, which was formally titled "General provisions," was renamed "Samples for unlicensed consumers."

The following provides an overview of the changes:

- Section 13.81(a), dealing with acquiring the product from the PLCB, was changed to clarify that the product must be purchased through the PLCB, either at a PLCB Fine Wine and Good Spirits store or through the PLCB's special liquor order purchase process (if the desired product is not available at a PLCB store), at the retail price plus any required taxes. Also, the former pricing formula of "cost plus 25%" has been deleted, as there is no basis for this in the Liquor Code. Additionally, this section was changed to streamline the process for obtaining the product. Finally, the regulation no longer requires a separate order to be placed for each agent or a vendor to provide, upon request, a statement giving the name of the vendor's authorized supervisor, together with the territories and names of all agents under their supervision.
- Section 13.81(b), which addressed the size of sample bottles, has been deleted and replaced with new section 13.81(b.1).
- Section 13.81(b.1) provides that for promotions with licensees, vendors may only use product for tastings, as provided in <u>section 13.211</u> of the PLCB's Regulations. Also, section 13.81(b.1) prohibits vendors from leaving any product, whether opened or unopened, with a licensee.
- Section 13.81(c), dealing with the wording for the label that the vendor's agent must affix onto each bottle of product, was changed to "For tastings only. Not to be sold. Possession of this bottle by licensee unlawful." Please note that this label must be affixed to the bottle before the agent may promote the product with a licensee.

- Section 13.81(d), dealing with the vendor maintaining records for the product, was changed to no longer require vendors to keep a permanent stock ledger, but the vendors shall keep records in either hard copy or electronic media consistent with generally accepted accounting procedures for a period of at least 2 years.
- Section 13.231 was changed to clarify that samples may only be provided to unlicensed consumers.

Questions about these changes, or any other provisions of the Liquor Code or the PLCB's Regulations may be directed to the PLCB's Office of Chief Counsel at 717-783-9454 or <a href="mailto:rate">rate</a>-<a href="mailto:lblegal@pa.gov">lblegal@pa.gov</a>.